

MEMORANDUM

JULY 14, 1988 MTG

TO: BOSTON REDEVELOPMENT AUTHORITY AND STEPHEN COYLE,
DIRECTOR

FROM: RICARDO MILLETT, ASSISTANT DIRECTOR AND
THOMAS O'MALLEY, SENIOR PROJECT MANAGER

SUBJECT: HOUSING CREATION PROPOSAL SUBMITTED BY UNICORP
AMERICAN CORPORATION

SUMMARY:

UNICORP AMERICAN CORPORATION, DEVELOPER OF 73 TREMONT STREET, BOSTON, HAS SUBMITTED THREE HOUSING CREATION PROPOSALS THAT WOULD COMMIT ITS ANNUAL HOUSING LINKAGE PAYMENTS -- A TOTAL OF \$912,500-- TO SUPPORT THE CREATION OF AFFORDABLE HOUSING IN THE CITY OF BOSTON. THE FOLLOWING CONTRIBUTIONS MADE BY UNICORP AMERICAN ARE COMMITTED TO : (1) OPERATION FOOD, INC. IN THE AMOUNT OF \$150,000 FOR THE CREATION OF TRANSITIONAL HOUSING FOR HOMELESS PREGNANT WOMEN; (2) HI-TECH STRUCTURES IN THE AMOUNT OF \$150,000 TO ASSIST IN A 12-UNIT HOUSING DEVELOPMENT IN ROSLINDALE OF WHICH SIX (6) UNITS WILL BE AFFORDABLE; (3) OLD BOSTON RESTORATIONS IN THE AMOUNT OF \$283,254 FOR ASSISTANCE IN A 40-UNIT RENTAL DEVELOPMENT PROJECT IN WHICH EIGHTEEN (18) UNITS ARE BEING BUILT UNDER THE SENHI PROGRAM AND OF WHICH TWELVE (12) WILL BE AFFORDABLE. APPROVAL OF THIS HOUSING CREATION PROPOSAL IS REQUESTED.

On September 30, 1987, Unicorp American Corporation entered into a Development Impact Project Agreement (DIP Agreement) with the Boston Redevelopment Authority regarding the 73 Tremont Street development. According to the DIP Agreement, Unicorp American Corporation may satisfy its housing linkage obligation to the City of Boston through a series of seven (7) annual payments of \$130,357. to the Neighborhood Housing Trust (Trust) or through an approved Housing Creation Proposal, or through some combination of the two (2) options.

Unicorp American Corporation, together with their development agent Leggat McCall, has submitted three Housing Creation Proposals which together will utilize the \$912,500. due in accordance with their DIP Agreement. The contributions will be made to: (1) Operation Food Inc., (2) HI-Tech Structures; and (3) Old Boston Restorations.

1. Operation Food, Inc., located at 15 Gilmore Street, Mattapan, is a non-profit organization formed in 1981 to provide assistance to those in need of food, clothing and shelter. In response to community needs, Operation Food, Inc. is requesting housing for homeless pregnant women. The project involves the renovation of a three-story building of 3,800 square feet at 669 Walk Hill Street in Mattapan into ten (10) units of congregate housing. The building is secured by a long-term lease with a purchase option.

The renovation is estimated at a cost of \$216,000. Operation Food, Inc. has secured the remaining \$66,000 in funds from public and private sector grants. Operation Food, Inc. hopes to begin renovation in September and to open the facility by the end of 1988.

2. Southwest Crossing (Parcel SWC-2) is a 12-unit, 50% affordable housing development in Roslindale. The total development cost of a single unit is estimated at \$125,000, with a targeted market sales price of \$165,000 per unit. \$40,000 from each sale will be used to write down the cost of the affordable units to \$85,000 per unit, thereby making these units eligible for the HOP Program. The linkage request is for up to \$150,000 to guarantee up to \$25,000 per affordable unit as a dollar to dollar match for the gap if the market units fail to achieve the anticipated \$165,000 per unit sale price. This guarantee will ensure affordability even if the market units are sold as low as \$140,000 per unit. Given the size, quality, and location of the market units, it is unlikely that the market units would be sold at less than \$140,000 each. Long-term affordability for these units will be guaranteed by a deferred purchase price which will take the form of a second mortgage. Final designation was considered by the Board on June 23, 1988, with a final vote effective July 14, 1988. Construction start will be in August of 1988.

3. Old Boston Restorations, located at 477 Shawmut Ave, proposes to develop SENHI Parcel R-11C and Parcel R-11B located at 6-24 East Concord Street in the South End into forty (40) units of rental housing, along with a total of thirty-two (32) underground parking spaces. Only Parcel R-11C is a SENHI parcel, and two-thirds, or twelve (12) units produced on R-11C will be affordable to low- and moderate-income families. The estimated total development cost of the project is \$3,282,010. Old Boston Restorations has received letters of interest from Northeast Mortgage Corporation and University Financial Services for approximately \$2.47 million. The remaining balance of approximately \$508,000 will be in the form of equity provided by Old Boston Restorations. The Housing Creation contribution loan of \$283,254. requested herein will ensure the project's financial feasibility, and will be repayable to the Trust under the terms of the Housing Creation Agreement. Final designation for the project is expected by the fall of 1988 and construction to start shortly thereafter.

On July 13, 1988 the Neighborhood Housing Trust voted to recommend approval to the Authority of the 73 Tremont Street Housing Creation Proposals. Copies of the vote are attached.

It is therefore requested that the Housing Creation Proposals submitted by Unicorp American Corporation for; (1) Operation Food, Inc. (2) HI-Tech Structures; and (3) Old Boston Restorations, be approved. Further, any funds due under the terms of the DIP Agreement dated and signed by and between the Authority and Unicorp American Corporation not utilized in conjunction with the terms and conditions of the following votes will revert to the Neighborhood Housing Trust.

An appropriate vote follows:

VOTED:

That the Authority finds after consideration of evidence submitted at a public hearing on this date, July 14, 1988, regarding the Housing Creation Proposals submitted by Unicorp American Corporation that: (1) Unicorp American Corporation is obligated to pay \$912,500 in seven (7) annual payments of \$130,285.71 as Development Impact Project Exactions pursuant to Article 26A of the Boston Zoning Code and a Development Impact Project Agreement for the 73 Tremont Street development entered into by Unicorp American Corporation and the Boston Redevelopment Authority on September 30, 1987; (2) that Unicorp American Corporation submitted on July 13, 1988 three Housing Creation Proposals pursuant to Section 26A(2)(3)(a) of the Boston Zoning Code; (3) that the Neighborhood Housing Trust reviewed said proposals on July 13, 1988 and voted to recommend approval to the Authority with regard thereto; (4) that the Trust voted to authorize the Authority to accept Unicorp American Corporation's Development Impact Exaction Payments on behalf of the Trust to be used for this Housing Creation Proposal, said funds to be held in escrow pending an executed Housing Creation Agreement; (5) that Operation Food, Inc. is proposing to renovate a building at 669 Walk Hill Street in Mattapan into a transitional facility for ten (10) low- or moderate-income pregnant women, and that the cost of the housing will be free to woman participating in the program; (6) that HI-Tech Structures proposes to build twelve (12) units of housing on Parcel SWC-2 in Roslindale of which six (6) units will be affordable to moderate-income homebuyers; (7) that Old Boston Restorations is proposing eighteen (18) rental units on Parcel R-11C in the South End of which twelve (12) units will be affordable to low and moderate income renters; (8) that a gap in the financing of each of said housing projects exists; (9) that but for a commitment of \$150,000 (present value)

to Operation Food, Inc., \$150,000 (present value) to HI-Tech Structures, and \$283,254 (present value) to Old Boston Restorations, said housing would not be built and would not be affordable; and (10) that the application of DIP Exactions from Unicorp American Corporation as proposed in its Housing Creation Proposals is necessary and appropriate;

AND FURTHER VOTED:

That the Housing Creation Proposal submitted to the Neighborhood Housing Trust by Unicorp American Corporation on July 13, 1988 is hereby approved as submitted together with any conditions recommended in the Trust's vote of July 13, 1988 and with such minor modifications to the proposal as may be necessary (copies of the vote appended hereto and incorporated by reference herein), and that the Authority accepts the DIP payments on behalf of the Trust for use in conformance with the Housing Creation Proposals;

AND FURTHER VOTED:

That the Director be and hereby is authorized to enter into a Housing Creation Agreement pursuant to Section 9 of the Housing Creation Regulations and such other documents as may be necessary to implement the Housing Creation Proposals and to ensure the successful development by Operation Food, Inc. of transitional housing at 669 Walk Hill Street, by HI-Tech Structures of affordable homeownership on Parcel SWC-2, and by Old Boston Restorations of rental housing on Parcel R-11C, each on such terms and conditions as the Director may deem necessary and/or appropriate to the successful implementation of said documents.

VOTE OF THE NEIGHBORHOOD HOUSING TRUST
RE: OPERATION FOOD, INC.

Approved at a Meeting of the Neighborhood Housing Trust

July 13, 1988

VOTED: That the Chair of the Neighborhood Housing Trust be authorized to recommend to the Boston Redevelopment Authority that the Housing Creation Proposal submitted by Unicorp American Corporation, developers of 73 Tremont Street in Boston, to assist in the creation of ten (10) units of transitional congregate housing for low- and moderate-income pregnant women, be approved as submitted in an amount not to exceed \$150,000 (present value), together with such other minor amendments as may be required to implement said affordable housing development, said payment not to issue until the following conditions are satisfied:

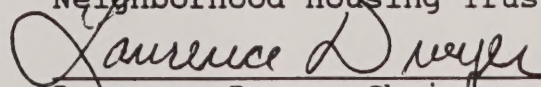
- 1) Appropriate zoning relief;
- 2) Appropriate security arrangements, either as to foreclosure cure and right to sub-lease to another non-profit under a lease situation, or appropriate restrictions in an acquisition situation;
- 3) Operation Food commits to raising at least another \$8500 to meet any further equity gap;
- 4) The linkage grant shall be capped at no more than 40% of the final total development cost; and
- 5) This vote shall automatically rescind nine (9) months from the Authority Board vote if the project is not under construction by that time.

and

FURTHER VOTED: That the Neighborhood Housing Trust authorizes the Authority to accept Unicorp American Corporation's Development Impact Exaction Payments on behalf of the Trust to be used for this Housing Creation Proposal, said funds to be held in escrow pending an executed Housing Creation Agreement.

Passed unanimously 7/13/88

Attested to on behalf of the
Neighborhood Housing Trust


Lawrence Dwyer, Chairman

VOTE OF THE NEIGHBORHOOD HOUSING TRUST
RE: HI-TECH STRUCTURES

Approved at a Meeting of the Neighborhood Housing Trust

July 13, 1988

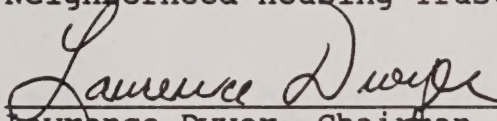
VOTED: That the Chair of the Neighborhood Housing Trust be authorized to recommend to the Boston Redevelopment Authority that the Housing Creation Proposal submitted by Unicorp American Corporation, developers of 73 Tremont Street in Boston, to assist in the creation of twelve (12) units of homeownership housing, of which six (6) units will be affordable to and moderate-income families, be approved as submitted in an amount not to exceed \$150,000 (present value), together with such other minor amendments as may be required to implement said affordable housing development;

and

FURTHER VOTED: That the Neighborhood Housing Trust authorizes the Authority to accept Unicorp American Corporation's Development Impact Exaction Payments on behalf of the Trust to be used for this Housing Creation Proposal, said funds to be held in escrow pending an executed Housing Creation Agreement.

Passed unanimously 7/13/88

Attested to on behalf of the
Neighborhood Housing Trust



Lawrence Dwyer, Chairman

VOTE OF THE NEIGHBORHOOD HOUSING TRUST
RE: OLD BOSTON RESTORATIONS

Approved at a Meeting of the Neighborhood Housing Trust

July 13, 1988

VOTED: That the Chair of the Neighborhood Housing Trust be authorized to recommend to the Boston Redevelopment Authority that the Housing Creation Proposal submitted by Unicorp American Corporation, developers of 73 Tremont Street in Boston, to assist in the creation of forty (40) units of rental housing, of which twelve (12) will be affordable to low- and moderate-income families, be approved as submitted in an amount not to exceed a loan of \$283,254. (present value), together with such other minor amendments as may be required to implement said affordable housing development, said payment contingent on the following conditions:

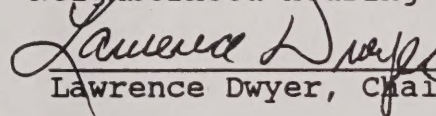
1) This loan shall be compounded at 5% yearly, and repayable at the earlier of either refinancing of the project, or conversion to condominiums of the project;

and

FURTHER VOTED: That the Neighborhood Housing Trust authorizes the Authority to accept Unicorp American Corporation's Development Impact Exaction Payments on behalf of the Trust to be used for this Housing Creation Proposal, said funds to be held in escrow pending an executed Housing Creation Agreement.

Passed unanimously 7/13/88

Attested to on behalf of the
Neighborhood Housing Trust


Lawrence Dwyer, Chairman

